



Thames Valley Probation

Annual Report and Accounts 2013–2014



Thames Valley Probation

Annual Report and Accounts

2013/2014

Presented to Parliament pursuant to The Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2012 (S.I. 2012, No. 854).

Ordered by the House of Commons to be printed 17 July 2014

© **Thames Valley Probation (2014)**

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as Thames Valley Probation copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us by e-mail
Info@thames-valley.probation.gsi.gov.uk

This publication is available at **www.gov.uk/government/organisations/national-probation-service**

Print ISBN 9781474104111
Web ISBN 9781474104128

Printed in the UK by the Williams Lea Group on behalf of
the Controller of Her Majesty's Stationery Office

ID 14051444 07/14

Printed on paper containing 75% recycled fibre content minimum.

Contents

Mission & Values	2
Foreword	3
1. Operational & Performance Review 2013/14	4
2. Management Commentary	9
3. Remuneration Report	15
4. Statement of Accountable Officer's Responsibilities	18
5. Governance Statement	19
6. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	23
7. Accounts	25
8. Sustainability Report	54

Mission & Values

Mission:

Less re-offending, fewer victims

Values:

1. To respect and value other people
2. To act with integrity
3. To work co-operatively and in partnership
4. To positively change attitudes, thinking and behaviour
5. To ensure quality and strive for excellence
6. To effectively, and efficiently, deliver reductions in re-offending.

Foreword

This is the fourth annual report since the creation of Thames Valley Probation as a probation trust.

By the time this report is published the Trust, alongside the other 34 probation trusts in England and Wales, will have ceased operations and replaced by a National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRC) (Thames Valley's three counties make up one of the 21 CRCs). Transfer of the Community Rehabilitation Companies to new owners is expected to be complete by March 2015.

Last year I said that, during the interim period, Thames Valley Probation would be determined to continue to deliver probation services to the highest standards. I am proud to say that this has been achieved and that despite the high levels of concern that staff have felt over the Transforming Rehabilitation agenda, they have exceeded targets and succeeded beyond expectations.

During 2013/14, Thames Valley Probation has been the largest probation trust to achieve four stars, the highest performance rating. This would be a considerable feat in any normal year, let alone one of such upheaval. The rating means we have been in the best possible position to enable us to change more lives for the better – to turn offenders away from crime and prevent victims in the future.

This Annual Report is more than a statistical report of achievement. It contains commentary from managers throughout the organisation about our staff and the innovative steps they've taken to reduce re-offending. We asked managers to describe, in their own words, achievements by their teams during 2013/14 which made them proud. The responses flooded in.

In Section 2, we have included a sample of their comments, which serves to demonstrate the commitment and professionalism of Thames Valley Probation staff who work with sections of society that so many seek to exclude or avoid.

I am proud to have been Chief Executive of such a dedicated workforce; to have worked alongside so many remarkable people. Although I too mourn the loss of probation as we have known and developed it, at the same time I look forward to leading Thames Valley to succeed in new ways of working. I do this with the confidence of knowing that those who are coming with me on the Community Rehabilitation Company journey are committed, professional people with the drive and the motivation to succeed.

Many colleagues will of course be moving into the new National Probation Service. I wish them well and look forward to collaborating effectively so that we continue to maintain excellence in the delivery of probation services.

Paul Gillbard
Chief Executive Officer
Thames Valley Probation

1. Operational & Performance Review 2013/14

Thames Valley Probation has operational priorities that cover delivering the punishments and orders of the courts, public protection and reducing reoffending. Thames Valley Probation again demonstrated strong operational performance in 2013/14 against key performance measures, as set out in the table below.

Thames Valley Probation Performance Outcomes

Performance Indicator	Description	2013/14 Result	2013/14 Target
OM7 Victim contact	The percentage of victims who are contacted within eight weeks of an offender receiving 12 months or more for a serious sexual or violent offence.	99.8%	90%
OM40 (incl RIC) Court report timeliness	The percentage of Pre-Sentence Reports (PSRs) completed within the timescales set by the Court.	94.84%	95%
OM5 Enforcement	The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply.	90.05%	90%
OM27 Indeterminate Sentence Prisoners PAROM1 timeliness	% of IPP (Lifer) assessment reports completed and returned to prison within 8 weeks of Parole Review Commencement Date.	91.7%	80%
OM021 Reduce Reoffending	Reduce the rate of proven reoffending whilst under the management of provider of probation services. (Predicted Rate of Reoffending 9%).	8.9%	9%
OM39 OASys Tier 2, 3, 4 & PPO final reviews	At least 90% of all final reviews (terminations) to be completed within the appropriate timescales for all Tier 2 (where appropriate), 3, 4 and Prolific Persistent Offenders.	86.67%	90%
OMO29 Offender Feedback	The percentage of offenders with overall positive experiences of engagement.	72.9%	67%
IPPF4 OMI Risk of Harm	Assessed score following an Offender Management Inspection.	71%	66%
IPPF5 OMI Assessment and Sentence Planning	Assessed score following an Offender Management Inspection.	74%	72%
IPPF6 OMI Interventions	Assessed score following an Offender Management Inspection.	75%	72%
IPPF019 OMI Enforcement & Compliance	Assessed score following an Offender Management Inspection.	78%	70%
IPPF020 OMI Likelihood of Reoffending	Assessed score following an Offender Management Inspection.	69%	70%
INT 9 Employment at termination	The percentage of offenders in employment at termination of their order or licence.	63.93%	50%
INT 8 Sustained employment	The number of offenders under supervision who find and sustain employment.	469	350
INT 020 Educational Referrals to Awards Conversion Rate	Proportion of referrals to education providers in the community that result in a qualification.	20.7%	20%

Performance Indicator	Description	2013/14 Result	2013/14 Target
OM019 Education Provider Referrals	The number of referrals to Educational Provision (in the community).	913	1000
IPPF8 Sickness absence	Reduce sickness absence in the National Probation Service to an average of 9 days per member of staff per year.	10.68 days	9 days (internal target)
IPPF14 Staff Diversity	The percentage of staff from ethnic minority backgrounds.	14.26%	10%
OM17 Accommodation at termination	The percentage of offenders in settled and suitable accommodation at the end of their order or licence.	86.45%	77 %
OM3 End to end enforcement	To achieve an average of 35 working days from the relevant unacceptable failure to comply to resolution of the case; and to resolve 60% of breaches of Community Orders within 25 working days of relevant failure to comply.	71%	60%
OM4 Licence recall requests	Licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager.	99.22%	90%
OM 20 Order or license successfully completed	The percentage of Orders & Licences successfully completed.	75%	70%
INT 01 Sex offender programme completions	The number of accredited sex offender programme completions.	76	66
INT 02 Domestic violence programme completions	The number of accredited domestic violence programme completions.	133	120
INT 03 Accredited OBP completions (excl. SOTP and DV)	The number of accredited offending behaviour programme completions (excluding sex offender and domestic violence).	82	80
INT 16 ATR performance	The number of Alcohol Treatment Requirements (ATR) completions.	141	60
TV003 Specified Activity Completions	The number of Specified Activity Requirement completions.	618	570
INT 06 DRR Completions	The number of Drug Rehabilitation Requirements (DRR) Completions.	210	180
INT005 Community Payback Completions	The number of Community Payback Completions.	1,555	1,800
INT 18 Community payback completion rate	The percentage of unpaid work requirements that are successfully completed.	76.2%	73.0%

Workload and Activity Statistics

Commencements by Order Type 2013–14

Order Type	Total
Adult Statutory Through Care	135
Community order	2,789
Detention & Training Order	4
Discretionary Conditional Release (post Oct 92)	0
Extended Determinate Sentence	17
Extended Public Protection	11
Indeterminate Public Protection	1
Life imprisonment	18
S105. Post Release Licence	1
Standard Determinate Custody (CJA)	835
Suspended sentence order	1,146
Young Offender Institution	118
Young Offender Statutory Through Care	71
Youth Rehabilitation Order	45
Total	5,191

Commencements (community sentences and release in licence). Excludes offenders at start of custody)	2013–14	2012–13	2011–12
Orders	3,973	4,398	4,906
Licences	1,216	1,283	1,278
Total	5,189	5,681	6,184

Reports written by Court & Report Type 2013–14

Report Type	Crown Court	Magistrates' Court	Other Court	Total
Abandoned/Nil Report	89	488	23	600
Amendment Report	3	27	13	43
Breach Report – Statement of Facts	52	288	429	769
Breach – Summons and Information	1	19	16	36
Deferred Sentence Report	7	10	1	18
DRR Review Report	5	45	1	51
DTTO Court Review Report	2	5		7
No Report to Court	6	24	12	42
Order Completion/Progress Report	5	1	1	7
Other	9	17	6	32
Pre-Sentence Report	5	10		15
Pre-Sentence Report – Fast	584	1,544	22	2,150
Pre-Sentence Report – Oral	112	2,599	6	2,717
Pre-Sentence Report – Standard	578	902	10	1,490
PSR – Addendum	39	71		110
PSR – Breach		11		11

Report Type	Crown Court	Magistrates' Court	Other Court	Total
PSR – No Contact	8	51	0	59
Referral Report (during supervision)	2	0	0	2
Response To Supn Report	0	4	0	4
Revocation Report	3	9	18	30
Total	1,510	6,125	558	8,193

Unpaid Work Hours

Unpaid Work Hours Ordered and Worked	2013/14	2012–13	2011–12
Ordered	294,191	318,436	354,197
Worked	219,533	235,316	278,162

Caseload

Order Type	2013–14	2012–13	2011–12
Adult Statutory Through Care	611	927	882
Children & Young Persons supervision order	0	1	0
Community Punishment & Rehabilitation (Punishment)	2	3	3
Community Punishment & Rehabilitation (Rehabilitation)	0	2	2
Community Order	2,246	2,329	2,286
Community Punishment Order	12	21	23
Community Rehabilitation Order	1	2	2
Community Punishment Order for Breach	0	0	2
Deferred Sentences	0	0	0
Detention & Training Order	2	6	3
Discretionary Conditional Release (post Oct 92)	52	91	117
Extended Determinate Sentence	26	0	0
Extended Public Protection	86	85	73
Extended Supervision for Sex Offender	7	13	11
Extended Supervision for Violent Offender	3	3	3
Indeterminate Public Protection	220	220	216
Life Imprisonment	324	300	296
Psychiatric Order	2	0	1
S105. Post Release Licence	1	4	4
Standard Determinate Custody (CJA)	1,661	1,133	1,094
Suspended Sentence Order	1,022	1,031	1,073
Young Lifer	1	2	2
Young Offender Institution	45	75	78
Young Offender Statutory Through Care	211	294	287
Youth Rehabilitation Order	35	73	62
Total	6,570	6,615	6,520

The National Offender Management Service (NOMS) was responsible for agreeing and publishing annual performance ratings for each probation trust. The publication of probation trust ratings is designed to ensure transparency of the final performance assessments, with ratification from the NOMS Agency Board and independent assurance provided by the NOMS Non-Executive Directors.

NOMS produced data driven assessments of performance for Probation Trusts using an assessment framework – the Probation Trust Rating System (PTRS) – which has been agreed by the NOMS Agency Board, including its Non-Executive Directors. The PTRS assessed the 35 probation trusts in England and Wales by looking at performance against 7 indicators. Performance was shown in the three domains that best describe the work of probation: public protection; reducing re-offending; and sentence delivery. By comparing the performance in each metric against target and, where appropriate, against the national average, performance was graded into one of four bands. These bands are 4: Exceptional Performance, 3: Good Performance, 2: Requiring Development and 1: Serious Concerns.

It is anticipated that Thames Valley Probation will be rated as Band 4 Exceptional Performance for 2013/14. This was the case for the first half of the year. The result for the year as a whole has not been confirmed at the time of writing.

Paul Gillbard
Chief Executive Officer
26 June 2014

2. Management Commentary

The Management Commentary fulfils the reporting requirements of the 2013–14 HM Treasury Financial Reporting Framework (FReM) in respect of the Directors' report and Strategic review.

Statutory background

Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust was a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reported to the NOMS. This Trust came into existence on 1 April 2010 (following transition from Thames Valley Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT) and in accordance with the accounts direction, on page 52, issued by the Secretary of State under the OM Act.

Principal activities

Thames Valley Probation covered the same geographic area as Thames Valley Police, serving a population of about 2,300,000. During the year, the Trust employed 544 full time equivalent staff who worked from 12 office sites, five approved premises and six prisons across the area.

Each Probation Trust provided assistance to the courts in determining the appropriate sentences to pass, and making other decisions in respect of persons charged with or convicted of offences, and assisted in the supervision and rehabilitation of such persons.

The discharge of policies as established by the NOMS, was designed to ensure:

- The protection of the public;
- The reduction of re-offending;
- The proper punishment of offenders;
- Ensuring offenders' awareness of the effects of crime on the victims of crime and the public; and
- The rehabilitation of offenders.

Operational Performance during 2013–14

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 8. However, the statistical information in that analysis is brought to life by the following submissions from Senior Probation Officers, who detail aspects of their teams' work which helped achieve such successful performance outcomes.

- 'I think that OASys quality has improved across the board and I'd like this to be acknowledged. We have made significant progress moving from **81.7%** on OASys quality assurance in June 2012 to **92.4 %** by June 2013.' *Quality Improvement Manager/Senior Probation Officer*
- 'I just canvassed the team and they came up with loads of examples of people who had completed their orders successfully, who ended up drug/alcohol free and working. There are lots of other examples of people who have managed to reduce their offending or completed their orders or licences successfully against all expectations. Some examples of this have been due to Integrated Offender Management (IOM) Team staff going the extra mile, persuading partner agencies (e.g. a local detox unit) to give a certain person a chance using advocacy, negotiation and partnership working skills.' *Oxfordshire Substance Misuse/IOM SPO*
- 'Thames Valley's Restorative Justice Service (RJ) has shown throughout this assessment that their restorative values, ethos and practice is upheld and is delivered to consistently high standards and they deserve their reputation as being a market leader of RJ Services in the UK and Europe. They truly are a national leader in RJ practice and it has been privilege to work on this Restorative Services Quality Mark assessment. I have learnt a lot and am humbled by the quality, enthusiasm

and evidenced debate that I have seen and heard from this organisation and its service.' *Assessor's report, which led to us being one of the first to be awarded the Restorative Justice Quality Mark.*

- 'In Bracknell, we have done really well with Home Visits. This month we achieved 100%, which shows a real dedication to the purpose and importance of home visits. But I'm really proud of how Bracknell has adopted Skills for Effective Engagement, Development and Supervision (SEEDS). Their use of the model is excellent and this was identified at the recent follow up training. They have regular Peer group Learning sets which are self supporting and everyone discusses the benefit of them in line management meetings.' *Bracknell SPO*
- Finally, an impressive list of innovation from our Education, Training and Employment (ETE) team (submitted by the ETE Manager):
 - Attended all 5 magistrates' training events with very positive feedback
 - Employment Training and Education Activity Requirement target of 240 successful completions completed – by February
 - Self employment courses aimed at sex offenders ran from 2 approved premises, contributing to the employment target
 - We won a National Careers Service best case study award for the Railtrack (PTS) course which ran in Milton Keynes, with 11 of the 12 offenders now working on the rails. One is a supervisor.
 - Literacy course for high risk offenders not able to access community learning ran in Bucks, demonstrating equality and diversity.
 - Construction and food safety courses were run in Oxford, with 14 qualifications gained and 4 employment outcomes, including an apprenticeship.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 25. The Statement of Changes in Taxpayers' Equity is shown on page 28.

Operating costs

The net operating cost after taxation for 2013–14 stands at £2,753,000 compared to £2,238,000 for 2012–13. The reason for the increase is due to pay awards and increased expenditure on partnerships.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 26 and 27.

The net liabilities position has increased from £32,354,000 at 31 March 2013 to £40,683,000 at 31 March 2014. The largest single movement in net liabilities is £8,378,000 due to increase in the pension liability.

Payment of creditors

In the year to 31 March 2014, the Trust paid 3,442 trade invoices with a value of £8,195,733. The percentage of undisputed invoices paid within 30 days by the Trust was 86% compared to 84% in 2012–13.

Treatment of Pension Liabilities

Past and present employees of the Trust are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF).

The Trust is no longer required to pay employer contributions to the fund.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS transferred with the employee to the new

employer the Community Rehabilitation Company (CRC) or the National Probation Service (NPS). The MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS transferred to the NPS under the Secretary of State for Justice.

Further information can be found in **Note 4** to the Accounts.

Sickness absence data

The average levels of absence due to staff sickness were 11 days across the Trust (2012–13 9 days).

Personal data related incidents

No protected personal data related incidents were reported to the Information Commissioner's Office in 2013–14.

Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

As at the date of the Audit Certificate, the following reportable events had occurred:

The Probation Trust ceased trading on 1 June 2014. The operations of the Trust have been divided between the NPS and a CRC, both public sector bodies. The assets and liabilities of the Trust have been split on a practical basis that reflects the future use of assets, services provided and the allocation of employees. Refer to **Note 27** of the Accounts for further details.

The proportion of staff transferring to the CRC/NPS is almost 50/50 (338:295).

Sustainable development

The Trust fell within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The sustainability report is shown on pages 54 to 58.

Future developments

By the time this report is published, Thames Valley Probation will have closed operations. As from 1 June 2014, the creation of the new NPS and the Thames Valley CRC will mean separate organisational development plans will be in place. Future developments for Thames Valley CRC will be detailed in its first annual report in 2015.

Going Concern

In March 2012 the Secretary of State announced the start of consultation exercises on the future of probation services in England and Wales and on planned reforms to community sentences. The results of these consultations, that ended on 13 February 2013, were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice. This outlined plans to contract out probation services more widely and increase the use of Payment by Results.

As part of the transformation all Probation Trusts ceased trading from 1 June 2014. A Statutory Instrument to dissolve the Probation Trust, under section 5(1) (c) of the OM Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

On 1 June 2014, a NPS was created to protect the public from the most dangerous offenders and manage the provision of probation services across England and Wales. The NPS remains part of the public sector.

The remaining services are divided into 21 contract areas, which align closely with local authorities and Police and Crime Commissioner Areas. They are served by 21 new CRCs. They are fully owned by the Secretary of State for Justice on behalf of the Ministry of Justice.

On 1 June 2014 a Transfer Order effected the transfer of the existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

MoJ/NOMS has committed to fund and ensure all current services will continue under the new structure, including the CRC in private ownership, using the same assets and resources, for the foreseeable future.

A tender process is currently under way with a successful bidder(s) to take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded that within the context of the Financial Reporting Manual (FRoM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

Communications and employee involvement

Thames Valley Probation attached great importance to engaging and communicating effectively with its staff.

Our approach has always been to embed staff engagement into our normal ways of working. We ensured visible leadership to all parts of Thames Valley Probation through a variety of channels. These included regular team briefings, senior leadership briefings at all levels, a staff survey, development forums for the different functional areas, intranet and other information provision.

The Transforming Rehabilitation agenda had the potential to create huge unrest among staff. The senior management team decided early on to adopt a clear and transparent two-way communication channel with staff. There have been team briefings, frequent staff bulletins, many team visits and opportunities to comment and participate in discussions on what the future holds for staff going into both the NPS and the CRC.

We have done our best to work alongside our trades unions and to keep them fully briefed about expected changes, dates and impacts on staff. It has been difficult to 'do the day job' with so many other demands being made on staff time, in light of all the changes, and the never-ending amount of paperwork and forms to be filled in, yet we have still managed to keep track of additional actions and requirements and succeeded in meeting our targets.

It has also been important to communicate with partners and keep them informed about the changes. We produced and distributed an information pack for partner agencies, as well as hosting five, large training events for sentencers across the Thames Valley. In addition, regular sentencer forums have taken place between Thames Valley Probation staff and local sentencers. In 2013/14 there were two such meetings attended by representatives of courts as well as regular liaison and local training events for sentencers organised at Local Delivery Unit level.

Staff diversity

Thames Valley Probation was committed to diversity. The Two Tick accreditation status was renewed for a further year during 2013/14 and the Trust benefited from membership of Stonewall and acting as a Stonewall Diversity Champion. We regularly contributed to Stonewall's Starting Out Career Guide.

We held a Diversity Week each year, where offices shared good practice, made/renewed community links with organisations which improved our knowledge and understanding of diversity issues. This took place in November 2013.

Information on progress towards equality objectives was regularly published on the Thames Valley Probation website.

17.6 per cent of staff employed by Thames Valley Probation were of black or minority ethnic backgrounds (2012/2013 12.8 per cent).

15 per cent of staff employed by Thames Valley Probation considered that they have a disability (2012/2013 14.6 per cent).

Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 23.

Total audit fees reported in the Accounts are £47,000 of which £28,000 relates to external audit and £19,000 to internal audit.

As Accountable Officer, I have taken all steps to ensure that:

- I am aware of any relevant audit information,
- the Auditor is aware of that information, and
- there is no relevant audit information of which the Auditor is unaware.

Thames Valley Probation Board

The governance arrangements within the Trust for the period April 2013 to March 2014 included the following:

- Board meetings every two months to focus on Trust strategic priorities including change, performance and risk
- Two sub-committees reporting to the Board – Audit Committee and Joint Negotiating and Consultative Committee
- Weekly meetings between the Board Chair and Chief Executive
- Regular senior management meetings including ongoing assessment of performance, risk, finance, workforce planning and business planning.

The Chair and other members of the Board were appointed by the Secretary of State following open competition.

Details of the remuneration of the Trust Board are set out in the Remuneration Report on pages 15 to 17.

Membership of the Board is set out in the table below:

Position	Name	Date appointment commenced / ended (during 2013/14) where appropriate
Chair	Malcolm Fearn	Ended March 31, 2014
Board member	Hirak Chakravarty	
Board member	Michael Day	
Board member	Michael Nolan	
Board member	Phillip Perlin	
Board member	Sue Seager	
<i>Ex officio members</i>		
Chief Executive	Paul Gillbard	

There were no conflicting interests disclosed for any of the individuals above in 2013/14

My thanks and appreciation is extended to all members of the Board for their hard work and effort during this reporting year.

Paul Gillbard
Accountable Officer
26 June 2014

3. Remuneration Report

Appointments

The salary and pension entitlements of the senior managers and members of the Thames Valley Probation Board were as follows:

A) REMUNERATION – AUDITED

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Officials	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000)		Total (£000)	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
Paul Gillbard Chief Executive Officer	75–80	65–70	-	-	-	-	47	124	120–125	190–195
Malcolm Fearn Chair	20–25	15–20	-	-	-	-	0	0	20–25	15–20
Hirak Chakravarty Board Member	0–5	0–5	-	-	-	-	0	0	0–5	0–5
Michael Day Board Member	0–5	0–5	-	-	-	-	0	0	0–5	0–5
Michael Nolan Board Member	0–5	0–5	-	-	-	-	0	0	0–5	0–5
Philip Perlin Board Member	0–5	0–5	-	-	-	-	0	0	0–5	0–5
Sue Seager Board Member	0–5	0–5	-	-	-	-	0	0	0–5	0–5

All appointed Trust Board members received non-pensionable remuneration of £15.40 per hour, with the exception of the Chief Executive and the Chair. The Trust at its discretion paid a travelling allowance and any other relevant expenses incurred.

The total remuneration of the highest paid Director and the median total remuneration for other staff are shown in the table below.

	Total Full-time Equivalent Remuneration	
	2013/14	2012/13
Highest paid Director (pay band)	£75k–£80k	£65k–£70k
Median for other staff	£22,261	£25,542
Pay multiple ratio	3.5	2.6

The median remuneration is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid Director. The pay multiple ratio is the ratio between the total remuneration of the highest paid Director and the median for other staff. The ratio has changed as a result of the remuneration of the highest paid directors being higher in 2013/14 than in 2012/13.

Salary

'Salary' includes the gross salary and overtime/on-call duty.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits received are in respect of costs for accommodation, travel and the pecuniary liability in respect of tax paid under the employer PAYE settlement agreement with HM Revenue and Customs.

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2014 & related lump sum £000s	Real increase/ (decrease) in pension and related lump sum at pension age £000s	CETV at 31 March 2014 £000s	CETV at 31 March 2013 £000s	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors £000s
Paul Gillbard Chief Executive	30–35 Plus lump sum of 75–80	1–5 Plus lump sum of 1–5	765	692	73

This scheme provides benefits on a 'final salary' basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay of every year of total membership is payable on retirement. The scheme permits employees to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 7.5% of pensionable earnings. Employers pay the balance of the cost of providing benefits, after taking into account investment returns.

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses current market valuation factors for the start and end of the period.

Paul Gillbard
Accountable Officer
26 June 2014

4. Statement of Accountable Officer's Responsibilities

Under the Schedule 1, paragraph 13(1) (b) of the Offender Management Act 2007, the Secretary of State has directed Thames Valley Probation to prepare, for each financial year, a statement of accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Trust during the year. The accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain material departures in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to do so.

The Secretary of State has appointed the Chief Executive as the Accountable Officer of the Trust. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Trust's assets, are set out in Managing Public Money published by HM Treasury.

5. Governance Statement

Governance Framework

The Trust Board had seven members comprising the Chairman and five members, appointed by the Secretary of State following open competition, and the Chief Executive. Two Magistrate Advisers were appointed to work with the Board, both of whom are serving magistrates and former board members. The Board was also advised by a Crown Court Judge who was nominated by the Lord Chancellor's Department. These three advisers did not have voting rights. During 2013–14 the Trust Board met in public on five occasions at various locations around the Thames Valley and the attendance rate of board members was 94% (33 out of a maximum 35 attendances). Between public meetings the Board met privately on three occasions to focus on specific topics, as well as to receive updates on financial and performance issues.

Each board member took responsibility for one or more specified operational areas and was a member of one or more committees or working groups. The Board Chairman conducted an annual appraisal of board members' contributions and was himself subject to appraisal by NOMS. All appraisals have been assessed as satisfactory.

The Trust Board had formally established two Committees. The Audit Committee met quarterly and comprised two board members, one of whom serves as Chair. They were advised by the two Magistrate Advisers who have specialist finance experience. The Chief Executive and Treasurer attended meetings of the Audit Committee but were not committee members; the Trust Board Chairman did not attend. The external and internal auditors were represented at all meetings, each of which concluded with a closed session confined to committee members, advisers and auditors at which concerns could be raised about executive actions or performance. The Audit Committee undertook an annual self-appraisal using a format recommended by the National Audit Office, who are also the external auditors. The Joint Negotiating and Consultative Committee (JNCC) is a joint committee of the Trust Board and the recognised trade unions. Its membership and proceedings are governed by an agreed written constitution. It meets quarterly.

In addition, Thames Valley Probation had a Health and Safety Committee, which was an internal management body chaired by the Director of Human Resources. To ensure good governance and joined-up communication in this important field a nominated board member attended the Committee's meetings and all its minutes were brought to the Board. The same goes for Thames Valley Probation's Diversity Monitoring Group, which two nominated board members attended.

The Board's governance arrangements have been established in accordance with recommended standing orders and guidance issued by the Ministry of Justice, to ensure compliance with government standards for non-departmental public bodies. Accountability to the general public was addressed by making available the agendas and minutes of all the Board's public meetings on the Thames Valley Probation website. Copies of all non-confidential papers that went to the Board, including notes of the Board's workshops and minutes of the Audit, JNCC and Health and Safety Committees, and the Diversity Monitoring Group, are available to the public on request.

Oversight and Assurance Arrangements

As Accountable Officer, the Chief Executive had responsibility for reviewing the effectiveness of the system of internal control. This review was informed by the work of the internal auditors, the executive manager with responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. The Chief Executive has been advised of the implications of the result of his review of the effectiveness of the system of internal control by the Board and Audit Committee and where weaknesses have been identified, actions were planned to ensure continuous improvement of the system was in place.

Some of the key processes which had been in place for 2013/14 were as follows:

- Board and Audit Committee regular review of risks and progress against identified weaknesses;
- Management control through reporting, review, processes, procedures, training, supervision and appraisal;
- Quarterly Business Planning and Review process which is embedded throughout the organisation and which includes organisational risk;
- Internal Audit independent assessment based on a plan agreed nationally and locally and reports to the Audit Committee;
- National monitoring of performance and expenditure by NOMS and reported to the Chief Executive and Board Chair.

The Ministry of Justice provided an internal audit service to Thames Valley Probation. A total of 47 audit days focused on audit areas of risk management, partnership arrangements, implementation of SEEDS, travel policy and key financial controls. Recommendations for improvement were made for some of the audit areas, and actions were agreed to implement the recommendations. The MoJ internal audit department concluded that for 2013/14 that they were able to provide a reasonable assurance that Thames Valley Probation's overall risk, control and governance framework is generally adequate to enable the achievement of its objectives and that key risks were being effectively managed.

The Business Process Improvement function undertook projects across the organisation to identify efficiency savings with a link to business process re-engineering.

The use of an organisational risk process, which ensured that current timely reports on risk were available to assist the management of the organisation and for the Audit Committee and Board.

A risk evaluation of all business items took place at all corporate management team and senior management group meetings.

The most recent internal audit on risk management arrangements was completed in June 2013 and concluded that there was a sound system of risk management, and that controls were operating as intended and were proportionate to risk.

The Board has reviewed the Corporate Governance Code and considers that it is compliant with key principles. It is considered that it complied in all material aspects.

Risk Management

Risk has been integrated into the quarterly Business Planning and Review process so that those risks assessed as most significant to the organisation are regularly reviewed at corporate and senior operational management level. The Chief Executive had overall responsibility for the Thames Valley Probation risk register, to which senior managers have logged risks alongside mitigating actions and have kept this updated throughout the year.

Each risk was allocated to a senior manager and progress was monitored against agreed actions. The risk register was reviewed by the Audit Committee and agreed by the Board at which point the appetite for the risks identified was assessed and agreed. Risk management was supported by a Risk Policy and was designed to ensure that risk management was embedded in the whole organisation.

The highest priority risks in 2013–14 were around the ability to recruit and retain sufficient professional staff to fulfil operational obligations and also the destabilising potential of the changes taking place in the probation services. Thames Valley Probation mitigated the workforce risk by having suitable plans in place for appropriate allocation of resources, a workforce planning strategy and also training staff to become qualified probation officers. The risk of an adverse service delivery impact as a result of the change in the probation services was identified by Thames Valley Probation as a significant issue both for 2013–14 and into 2014–15.

Information Security

Responsibility for information security management rested with the Information Manager, who reported to the Chief Executive. All staff were responsible for the information that they handled and had been given training on information security and data protection. During 2013–14 there were no personal data related incidents at Thames Valley Probation that were reportable to the Information Commissioner.

Risk and Control Framework

As Accountable Officer, the Chief Executive had responsibility for maintaining a sound system of internal control that supported the achievement of Thames Valley Probation policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which he was personally responsible, in accordance with the responsibilities assigned to him. An internal audit function was provided by the Ministry of Justice.

The system of internal control was designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it therefore only provided reasonable and not absolute assurance of effectiveness. The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of Thames Valley Probation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Thames Valley Probation for the year ended 31 March 2014 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

The Board took responsibility for risk and determined the risk appetite of the organisation. Board members and senior managers have undergone risk training to ensure that members fully understand the processes and responsibilities in relation to risk and to ensure that a relevant risk control framework was incorporated into Thames Valley Probation.

A Scheme of Delegation outlined responsibility for matters to be exercised in accordance with relevant instructions. There was a devolved budget structure in place that defined the allocation of budget management responsibilities to named individual staff. Standing Financial Instructions defined the standards and processes to which budget holders within Thames Valley Probation adhered.

Oversight and Assurance arrangements

A full programme of internal audit activity was completed during the year and the following reports were issued:

- Risk Management – Amber/Green
- Implementation of SEEDS – Green
- Partnership Arrangements – Amber/Green
- Key Financial Controls – Green
- Travel Policy – Amber/Red

In each case a management action plan was agreed to implement the agreed audit recommendations. The annual report contained the following overall audit opinion for 2013/14:

“Our work identified a number of moderate and significant rated findings that are isolated to specific systems and processes and when taken in aggregate we believe they are not pervasive to the system of internal control as a whole. Consequently we can give a reasonable assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.”

Risk Management

There was no mutual bid in respect of Thames Valley. Staff have maintained contact with other areas where a mutual or partnership bid was under development. Where appropriate all staff involved have completed the required declarations and those staff have not been involved directly in bidder contact and ethical walls have been maintained.

Board Attendance

Name	Role	Meetings Held / Meetings Attended
Mr H Chakravarty	Board Member	8/8
Mr M Day	Board Member	7/8
Mr M Fearn	Board Chair	8/8
Mr P Gillbard	Chief Executive	8/8
Mr M Nolan	Board Member	8/8
Mr P Perlin	Board Member	6/8
Ms S Seager	Board Member	7/8

Accountable Officer

26 June 2014

6. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Thames Valley Probation for the year ended 31 March 2014 under the Offender Management Act 2007. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Offender Management Act 2007. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Thames Valley Probation's affairs as at 31 March 2014 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Offender Management Act 2007; and
- the information given in the Operational and Performance Review and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

Without qualifying my opinion, I draw attention to the disclosures in **Note 1.4** to the financial statements regarding going concern. The Trust closed on 31 May 2014 with its functions, assets and liabilities being transferred to new public sector entities. In accordance with the Government Financial Reporting Manual the financial statements have been prepared on a going concern basis.

Sir Amyas C E Morse
Comptroller and Auditor General

2 July 2014

National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

7. Accounts

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	Restated £000
Expenditure			
Staff costs	3(a)	19,876	19,397
Other expenditure	6	6,698	6,448
Total Expenditure		26,574	25,845
Income	7	(25,350)	(25,191)
Net operating costs		1,224	654
Net interest cost on pension scheme	4(c)	1,523	1,536
Net operating costs before taxation		2,747	2,190
Taxation	5	6	48
Net operating costs after taxation		2,753	2,238

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	Restated £000
Items that will not be reclassified to net operating costs:			
Net (gain) on revaluation of property, plant and equipment	8	0	(8)
Remeasurement of post employment benefits	23	5,576	(2,990)
Total comprehensive expenditure/(income) for 31 March 2014		8,329	(760)

The restatement of 2012–13 is explained in Note 28.

The notes on pages 29 to 51 form part of these accounts.

Statement of Financial Position

As at 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	8	144	144
Total non-current assets		144	144
Current assets			
Trade and other receivables	12(a)	2,572	248
Cash and cash equivalents	13	347	3,139
Total current assets		2,919	3,387
Total assets		3,063	3,531
Current liabilities			
Trade and other payables	14(a)	(1,269)	(1,621)
Provisions	15	(130)	(130)
Taxation payables	14(a)	(557)	(722)
Total current liabilities		(1,956)	(2,473)
Non-current assets plus/less net current assets/(liabilities)		1,107	1,058
Non-current liabilities			
Pension liability	4(c)	(41,790)	(33,412)
Total non-current liabilities		(41,790)	(33,412)
Assets less liabilities		(40,683)	(32,354)
Taxpayers' equity			
General fund	23	(40,707)	(32,378)
Revaluation reserve – property, plant and equipment	24(a)	24	24
		(40,683)	(32,354)

The financial statements on pages 25 to 28 were approved by the Board on 13 June 2014 and were signed on its behalf by

..... Accountable Officer

26 June 2014

The notes on pages 29 to 51 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	23	(2,753)	(2,238)
Adjustments for non-cash transactions	6	34	(144)
Adjustments for pension cost	4(c)	2,802	2,873
(Increase)/decrease in receivables	12(a)	(2,324)	2,300
Increase/(decrease) in payables	14(a)	(517)	(653)
Utilisation of provisions	15	0	(157)
Net cash outflow/(inflow) from operating activities		(2,758)	1,981
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(34)	0
Net cash outflow from investing activities		(34)	0
Net (decrease)/increase in cash and cash equivalents in the period			
		(2,792)	1,981
Cash and cash equivalents at the beginning of the period	13	3,139	1,158
Cash and cash equivalents at the end of the period	13	347	3,139
(Decrease)/increase in cash		(2,792)	1,981

The notes on pages 29 to 51 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2012		(33,130)	16	(33,114)
Changes in taxpayers' equity for 2012–13 (restated)				
Net operating cost after taxation	SocNE	(2,238)	0	(2,238)
Net gain on revaluation of property, plant and equipment	24(a)	0	8	8
Remeasurement of post employment benefits	23	2,990	0	2,990
Balance as at 31 March 2013		(32,378)	24	(32,354)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	(2,753)	0	(2,753)
Remeasurement of post employment benefits	23	(5,576)	0	(5,576)
Balance as at 31 March 2014		(40,707)	24	(40,683)

The notes on pages 29 to 51 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the 2013–14 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow International Financial Reporting Standards (IFRS) as at the reporting date to the extent that it is meaningful and appropriate to the public sector.

Where the FRoM permits a choice of accounting policy, the policy which has been judged to be the most appropriate to the particular circumstances of the Probation Trust for the purpose of giving a true and fair view has been selected. The Probation Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The Trust has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

The functional and presentation currency of the Trust is the British pound sterling (£).

1.2 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention and modified to account for the revaluation of non-current assets.

1.3 Changes in accounting policies and restatement of comparatives

New and amended standards adopted
IAS 1 'Presentation of Financial Statements – Other Comprehensive Income' (effective for accounting periods beginning on or after 1 July 2012).

The impact on the Trust is that items presented in Other Comprehensive Expenditure will be grouped on the basis of whether they may subsequently be reclassified to net operating costs.

IAS 19 'Employee Benefits' was revised in June 2011 (effective for accounting periods beginning on or after 1 January 2013).

The changes have been made retrospectively in line with the transitional provisions of IAS 19 (revised 2011) and in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.

Those that impact on the Trust are:

- interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset); and
- amended disclosures including the presentation of defined benefit costs, plan assets and reconciliation of net pension liability as presented in **Note 4**.

The changes to IAS 19 apply retrospectively, giving rise to a prior period adjustment to net operating costs and other comprehensive expenditure. Net pension assets and liabilities are unchanged. The effect of the prior period adjustment on each line in the primary statements is set out in **Note 28**.

1.4 Going concern

The Statement of Financial Position at 31 March 2014 shows negative Taxpayers' Equity, which largely reflects the accumulated movement of the pension liability falling due in future years. MoJ/NOMS has committed to funding the pension liabilities transferred to the CRCs, relating to past service, and the future financing of all other liabilities in the NPS and CRCs falling due past 31 March 2014.

On 1 June 2014, the Trust ceased trading.

On this date the operations of the Trust transferred to the Secretary of State for Justice on behalf of the Ministry of Justice. They are administered by a new National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs).

The existing assets, liabilities and staff of the Trust were split between these entities in a practical way that reflects the services that each body provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A Statutory Instrument to dissolve the Probation Trust, under section 5(1)(c) of the Offender

Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

A tender process is currently under way with a successful bidder(s) to take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded therefore that within the context of the Financial Reporting Manual (FRM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

1.5 Property, plant and equipment

Property, plant and equipment, including subsequent expenditure on existing assets, is initially recognised at cost and is restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

Where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project they are treated as a grouped asset.

All land and building assets used by the Probation Trust are managed and owned centrally by NOMS and are recorded on their Statement of Financial Position. The cost of using those assets is included within **Note 6**, other expenditure under “accommodation, maintenance & utilities”. The charge to the Probation Trust does not represent the full cost incurred by NOMS.

Revaluation

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Gains on revaluation are credited to the revaluation reserve and shown

in other comprehensive expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to net operating costs in the SoCNE to the extent of the amount previously expensed, and any excess is credited to the revaluation reverse.

1.6 Depreciation

Non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Asset lives are currently in the following ranges:

Information technology	5 years depending on individual asset type
Plant & equipment	3 to 15 years depending on individual asset type
Vehicles	7 years depending on individual asset type
Furniture, fixtures & fittings	5 years depending on individual asset type

1.7 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”.

Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE.

The remaining amount is recognised in the Revaluation Reserve.

1.8 Intangible non-current assets

Thames Valley Probation has no Intangible non-current assets.

1.9 Non-current assets held for sale

Thames Valley Probation has no Non-current assets held for sale.

1.10 Inventories

Stocks of stationery and other consumable stores are not considered material and are written off in the SoCNE as they are purchased.

1.11 Operating income

Income is accounted for applying the accruals convention and is recognised in the period in which services are provided.

Operating income is income that relates directly to the operating activities of the Probation Trust. This comprises income under the Trust's contract with NOMS for the provision of Probation Services, rent receivables, income from EU sources, income from other Trusts, from within the MoJ Group, from other Government Departments and miscellaneous income.

Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

With effect from 1 April 2011, NOMS has confirmed that Trusts can now retain bank interest received. Trusts are no longer required to surrender this to HM Treasury via NOMS and MoJ.

1.12 Other Expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income.

Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures.

All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 6** and **Note 7**.

On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure. However Thames Valley Probation did not have any Programme income or cost for the prior year therefore restatement is not applicable.

1.13 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme. Retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). The last formal actuarial valuation was as at 31 March 2013.

The liability recognised in the SoFP in respect of defined benefit pension plans at the reporting date is the present value of the defined benefit obligation less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates as advised by the scheme actuary.

Remeasurement gains and losses are recognised within Other Comprehensive Expenditure in the period in which they arise.

Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

1.14 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when the Probation Trust has a present legal or constructive obligation, as a result of past events, for which it is probable or virtually certain that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

1.15 Value Added Tax

For the Probation Trust most of the activities are within the scope of VAT and, in general, output tax is charged and input tax on purchases is recoverable. Capitalised purchase cost of non-current assets are stated net of recoverable VAT. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation Tax

The Trust is a “corporate body” in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result, HMRC has confirmed that it is subject to corporation tax. The Trust is therefore subject to Corporation Tax (CT) on its profits and ‘profit’ for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

1.17 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand, that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

1.18 Financial instruments

As the cash requirements of the Trust are met through the estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust’s expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is exposed to little credit, liquidity or market risk.

1.19 Segmental analysis of spend as reported to the Management Board

The segmental analysis presents the financial information based on the structure reported to the Trust’s Board. The segments reflect the Trust’s own individual structure allowing the Board to have a clear view on the costs of front-line operations. This is in accordance with IFRS 8 Segmental Reporting. Further detail is shown in **Note 2**.

1.20 Third party assets

Thames Valley Probation does not hold, either as a custodian or trustee, any assets belonging to third parties.

2. Statement of Operating Costs by Operating Segment

Operational Unit	2013-14	2012-13
	Net Expenditure	Net Expenditure
Local Delivery Units	£11,628	£11,531
Community Payback Programmes	£1,715	£1,742
Approved Premises	£1,549	£1,380
Finance & Estate	£2,503	£2,512
Non allocated costs (including pension adjustment)	£2,931	£2,719
Other Support Services	£2,817	£3,051
	£3,903	£3,591
Total Net Expenditure	£27,046	£26,526
Contract Income	(£24,293)	(£24,288)
Overspend/(Underspend)	£2,753	£2,238

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013-14			2012-13
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	16,956	16,287	669	16,584
Social security costs	1,189	1,189	0	1,226
Other pension costs	3,242	3,242	0	3,286
Sub-total	21,387	20,718	669	21,096
Less recoveries in respect of outward secondments	(1,511)	(1,511)	0	(1,699)
Total staff costs	19,876	19,207	669	19,397

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**.

One person (2012–13: One person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £NIL (2012–13: £NIL).

3b. Average number of persons employed

The average number of full time equivalent persons (including senior management) employed during the year was as follows:

2013–14			2012–13
Total	Permanently-employed staff	Others	Total
544	519	25	550
544	519	25	550

3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2013–14			2012–13		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	7	7
£10,000–£25,000	0	1	1	0	2	2
£25,000–£50,000	0	0	0	0	1	1
£50,000–£100,000	0	0	0	0	1	1
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	1	1	0	11	11
Total resource cost £000	0	11	11	0	157	157

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. The additional costs of any early retirements are met from the Trust and not the pension scheme and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table.

4. Pensions

Pension benefits are provided through the Local Government Pension Scheme (LGPS). This is a statutory fully funded scheme which provides benefits on a “final salary” basis at a normal retirement age of 65. Benefits accrue at the rate of either 1/80th or 1/60th of pensionable salary for each year of service, in addition to a lump sum which is payable on retirement. Members have paid contributions of between 5.5% and 7.5% of pensionable earnings for the year to 31 March 2014. Pensions payments are increased in line with the Consumer Prices Index. On death, pensions are payable to the surviving nominated dependant. On death in service the scheme pays a lump sum benefit and also provides a service enhancement on the nominated dependant’s pension. Ill health retirement can result in early and enhanced payments of benefit dependant upon future reasonable prospect of alternative and gainful employment. In this case, pensions are brought into payment immediately. Scheme administration is by the Royal Borough of Windsor and Maidenhead. Actuaries Barnett Waddingham used in the IAS 19 calculations, an estimate of the number of employees, deferred pensioners, pensioners and new contributions and actual fund assets and fund returns as at 31 March 2014.

4a. Pension costs

A full actuarial valuation was carried out at 31 March 2013 by Barnett Waddingham. For 2013–14, employers’ contributions of £2,022,000 were payable to the LGPS (2012–13 £1,995,000) at a rate of 12.3% of pensionable pay. The schemes’ Actuary reviews employer contribution rates every three years following a full scheme valuation. The effects of the triennial review have been incorporated under IAS19.

On 1 June 2014 the Trust’s existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF). The Trust is no longer required to pay employer contributions to the fund.

Future contributions are referred to in **Note 27**.

Partnership accounts are excluded under IAS19.

The approximate employer’s pension contributions for the three years are:

- Employer’s contributions for 2013–14 were 12.3% of salaries.

4b. The major assumptions used by the actuary were:

	2013/14	2012/13
	%	%
Inflation assumption	2.8%	2.6%
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pensions in payment and deferred pensions	2.8%	2.6%
Discount rate	4.5%	4.7%

Mortality Assumptions:

The post retirement mortality tables adopted are the S1PA tables with a multiplier of 100% for males and 90% for females. These base tables are then projected using the CMI 2012 model, allowing for a long term rate of improvement of 1.5% per annum.

Life Expectancy from age 65 (years)	31 March 2014	31 March 2013
Retiring today		
Males	22.7	23.1
Females	26.0	25.7
Retiring in 20 years		
Males	24.9	25.1
Females	28.3	27.6

4c. Movements in the defined benefit obligation during the year

	2013/14		
	Present value of obligation	Fair value of plan assets	Total
	£000	£000	£000
Plan assets	0	55,419	55,419
Funded liabilities	(88,831)	0	(88,831)
Opening balance at 1 April (restated)	(88,831)	55,419	(33,412)
Current service costs	(3,255)	(46)	(3,301)
Past service costs (including curtailments)	0	0	0
Gains and losses on settlements	0	0	0
	(3,255)	(46)	(3,301)
Net Interest (cost)/income	(4,130)	2,607	(1,523)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)	0	(957)	(957)
Gain/(loss) from change in demographic assumptions	3,150	0	3,150
Gain/(loss) from change in financial assumptions	(4,352)	(438)	(4,790)
Experience gains/(losses)	(2,979)	0	(2,979)
	(4,181)	(1,395)	(5,576)
Contributions			
Employers	0	2,022	2,022
Plan participants	(877)	877	0
Payments from plans			
Benefit payments	2,706	(2,706)	0
Unfunded benefit payments	81	(81)	0
Closing balance at 31 March	(98,487)	56,697	(41,790)
Plan assets	0	56,697	56,697
Funded liabilities	(97,523)	0	(97,523)
Unfunded liabilities	(964)	0	(964)
Closing balance at 31 March	(98,487)	56,697	(41,790)

	2012/13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	49,681	49,681
Funded liabilities	(83,210)	0	(83,210)
Opening balance at 1 April	(83,210)	49,681	(33,529)
Current service costs	(3,256)	0	(3,256)
Past service costs (including curtailments)	(76)	0	(76)
	(3,332)	0	(3,332)
Net interest (cost)/income	(3,795)	2,259	(1,536)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	3,013	3,013
Gain/(loss) from change in financial assumptions	(26)	0	(26)
Experience gains/(losses)	3	0	3
	(23)	3,013	2,990
Contributions			
Employers	0	1,995	1,995
Plan participants	(890)	890	0
Payments from plans			
Benefit payments	2,366	(2,366)	0
Unfunded benefit payments	53	(53)	0
Closing balance at 31 March	(88,831)	55,419	(33,412)
Plan assets	0	55,419	55,419
Funded liabilities	(88,831)	0	(88,831)
Closing balance at 31 March	(88,831)	55,419	(33,412)

4d. Plan assets are comprised as follows

	2013/14		2012/13	
	Total £000	%	Total £000	%
Equities	23,812	42	22,722	41
Government bonds	567	1	554	1
Other bonds	9,072	16	11,638	21
Property	6,804	12	5,542	10
Cash and cash equivalents	1,134	2	0	0
Other	15,308	27	14,963	27
Total	56,697	100.00	55,419	100.00

4e. Sensitivity analysis

	+0.1% £000	0% £000	-0.1% £000
Adjustment to discount rate			
Present value of total obligation	96,579	98,487	100,434
Projected service cost	2,836	2,905	2,976

	+1yr £000	none £000	-1yr £000
Adjustment to mortality age rate assumption			
Present value of total obligation	95,047	98,487	101,959
Projected service cost	2,806	2,905	3,005

5. Taxation

	2013–14 £000	2012–13 £000
UK corporation tax	6	48
Total	6	48

Probation Trusts are corporate bodies under the Offender Management Act 2007, supplying court work and offender management services to the Ministry of Justice. The Trust is therefore subject to Corporation Tax on its profits and 'profit' for this purpose means income and chargeable gains.

6. Other Expenditure

	2013-14		2012-13	
	£000	£000	£000	£000
Accommodation, maintenance and utilities	2,463		2,613	
Travel, subsistence and hospitality	533		661	
Professional services	142		176	
IT services	979		1,025	
Communications, office supplies and services	471		530	
Other staff related	200		259	
Offender costs	544		295	
Other expenditure	1,285		987	
External Auditors' remuneration – statutory accounts	28		28	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration	19		18	
		6,664		6,592
Non-cash items				
Depreciation of tangible non-cash assets	34		32	
Other provisions provided for in year	0		(176)	
		34		(144)
Total		6,698		6,448

Programme costs are now included in with Administration costs. However as Thames Valley Probation did not occur any in the last financial year, there is no Prior Period Adjustment.

7. Income

	2013/14		2012/13	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	24,293		24,288	
		24,293		24,288
Other income received from Probation Trusts		1		10
Other income from NOMS		20		66
Other income from rest of MoJ Group		0		38
Other income from other Government departments		664		443
Miscellaneous income		360		338
		25,338		25,183
Interest received:				
From bank	12		8	
Total interest received		12		8
Total income		25,350		25,191

Programme income is now included in with Administration income. However as Thames Valley Probation did not have any in the last financial year there is no Prior Period Adjustment.

8. Property, plant and equipment

	2013/14					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2013	0	0	241	0	0	241
Additions	0	34	0	0	0	34
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	1	0	0	1
As at 31 March 2014	0	34	242	0	0	276
Depreciation						
As at 1 April 2013	0	0	97	0	0	97
Charge in year	0	0	34	0	0	34
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	1	0	0	1
As at 31 March 2014	0	0	132	0	0	132
Carrying value as at 31 March 2014	0	34	110	0	0	144
Carrying value as at 31 March 2013	0	0	144	0	0	144
Asset financing						
Owned	0	34	110	0	0	144
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2014	0	34	110	0	0	144

8. (Continued)

	2012/13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2012	0	0	227	0	0	227
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	14	0	0	14
As at 31 March 2013	0	0	241	0	0	241
Depreciation						
As at 1 April 2012	0	0	59	0	0	59
Charge in year	0	0	32	0	0	32
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	6	0	0	6
As at 31 March 2013	0	0	97	0	0	97
Carrying value as at 31 March 2013	0	0	144	0	0	144
Carrying value as at 31 March 2012	0	0	168	0	0	168
Asset financing						
Owned	0	0	144	0	0	144
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	0	0	144	0	0	144

9. Intangible assets

No Intangible assets were held at the reporting date (2012–13 £NIL).

10. Impairments

There were no impairments during the reporting period (2012–13 £NIL).

11. Assets held for sale

There were no assets held for sale at the reporting date (2012–13 £NIL).

12. Trade receivables and other current assets

12a. Analysis by type

	2013/14 £000	2012/13 £000
Amounts falling due within one year		
Trade receivables	29	31
Receivables due from Trusts	0	10
Receivables, Accrued Income and Prepayments due from NOMS Agency	2,331	10
Receivables, Accrued Income and Prepayments due from other Government departments	102	53
Other receivables	27	16
Prepayments	66	97
Accrued income	17	31
	2,572	248
Total	2,572	248

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013/14 £000	2012/13 £000	2013/14 £000	2012/13 £000
Balances with other central Government bodies (inc. parent department)	2,332	44	0	0
Balances with local authorities	30	59	0	0
Balances with NHS bodies	71	1	0	0
	2,433	104	0	0
Balances with bodies external to Government	139	144	0	0
Total	2,572	248	0	0

13. Cash and cash equivalents

	2013/14 £000	2012/13 £000
Balance at 1 April	3,139	1,158
Net change in cash and cash equivalents	(2,792)	1,981
Balance at 31 March	347	3,139
The following balances at 31 March are held at:		
Government Banking Service	0	2,500
Commercial banks and cash in hand	347	639
Balance at 31 March	347	3,139

14. Trade payables and other current liabilities

14a. Analysis by type

	2013/14	2012/13
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	290	55
Other payables	43	49
Accruals	653	1,123
Deferred income	0	113
Staff payables	17	14
Payables due to Probation Trusts	0	1
Payables, Accruals and Deferred Income due to NOMS Agency	36	0
Payables, Accruals and Deferred Income due to other Government departments	15	49
Unpaid pensions contributions due to the pensions scheme	215	217
	1,269	1,621
Tax falling due within one year		
VAT	194	315
Corporation tax	15	48
Other taxation and social security	348	359
	557	722
Total amounts falling due within one year	1,826	2,343
Total	1,826	2,343

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013/14	2012/13	2013/14	2012/13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	600	987	0	0
Balances with local authorities	8	36	0	0
Balances with NHS bodies	0	88	0	0
	608	1,111	0	0
Balances with bodies external to Government	1,218	1,232	0	0
Total	1,826	2,343	0	0

15. Provisions for liabilities and charges

	2013/14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	130	0	130
Provided in year	0	0	0	0	0
Provisions not required written back	0	0	0	0	0
Provision utilised in the year	0	0	0	0	0
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	130	0	130

	2013/14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	130	0	130
Current liability	0	0	130	0	130
Later than one year and not later than five years	0	0	0	0	0
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	0	0
Balance as at 31 March	0	0	130	0	130

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	463	0	463
Provided in year	0	0	130	0	130
Provisions not required written back	0	0	(306)	0	(306)
Provision utilised in the year	0	0	(157)	0	(157)
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	130	0	130

	2012/13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	130	0	130
Current liability	0	0	130	0	130
Later than one year and not later than five years	0	0	0	0	0
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	0	0
Balance as at 31 March	0	0	130	0	130

The provision relates to an interpretation of a professional subscription Dispensation from HMRC, and is calculated for the period 1 April 2001 to 31 March 2013. The expenditure is likely to be incurred within one year.

16. Capital commitments

There were no capital commitments for capital expenditure or major maintenance works at the reporting date (2012–2013 – nil).

17. Commitments under leases

17a. Operating leases

There are no operating leases (2012/13 – nil).

17b. Finance leases

There are no finance leases (2012/13 – nil).

18. Other financial commitments

There are no financial commitments (2012/13 – nil).

19. Deferred tax asset

There are no deferred tax assets (2012/13 – nil).

20. Financial instruments

As the cash requirements of the Trust are met through the estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust's expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is exposed to little credit, liquidity or market risk. The fair values of the Trust's financial assets and liabilities for both the current and proceeding year do not differ materially from their carrying values.

21. Contingent liabilities

The Board has not entered into any contingent liabilities by offering guarantees, indemnities or letters of comfort (2012/13 – nil).

22. Losses and special payments

22a. Losses statement

There were no losses during the financial year (2012/2013 – nil).

22b. Special payments schedule

There were no special payments during the financial year (2012/13 – nil).

23. General fund

	2013/14	2012/13
	£000	£000
Balance at 1 April	(32,378)	(33,130)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(2,753)	(2,238)
Remeasurement of post employment benefits	(5,576)	2,990
Balance at 31 March	(40,707)	(32,378)

24. Revaluation reserve

24a. Property, plant and equipment

	2013/14	2012/13
	£000	£000
Balance at 1 April	24	16
Arising on revaluations of PPE during the year (net)	0	8
Transferred to General Fund	0	0
Balance at 31 March	24	24

25. Related party transactions

NOMS and the Ministry of Justice are regarded as a related party. During the year, the Trust had various material transactions with the Ministry of Justice, including Administration income disclosed in **Note 7**. Additionally, the Trust had transactions with other Trusts', other government bodies and third party organisations. Outstanding balances with the Ministry of Justice, other Probation Trusts and other government bodies are disclosed in **Note 12** and **Note 14**.

During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust.

26. Third-party assets

There are no third-party assets (2012/13 £nil).

27. Events occurring after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

As at the date of the Audit Certificate, the following reportable events had occurred.

Dissolution of the Trust

The Trust ceased trading on 1 June 2014. A Statutory Instrument to dissolve the Trust, under section 5(1) (c) of the Offender Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

The operations of the Trust have been divided between the National Probation Service and a Community Rehabilitation Company, both public sector entities. MoJ/NOMS has committed to ensuring all services will continue under the new structure, using the same assets and resources, for the foreseeable future.

On 1 June 2014 a Transfer Order effected the transfer of existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A tender process is currently under way with a successful bidder to take ownership of the CRC in winter 2014/15.

The Accountable Officer with the support of senior management has concluded that there are no further impacts on the financial statements other than those referred to in **Note 1.4**.

Basis of allocation of balances after the Trust ceased trading on 1 June 2014

On 1 June 2014, the assets and liabilities of the Probation Trust were allocated between the NPS and CRC as follows:

Pensions

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets were transferred to the Greater Manchester Pension Fund (GMPF).

The Trust is no longer required to pay employer contributions to the fund.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS have transferred with the employee to the new employer (the CRC or the NPS) as referred to in **Note 1.4**. The MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS have transferred to the NPS under the Secretary of State for Justice.

Leases and service contracts

Property and IT leases remain within the Ministry of Justice.

All other service contracts have been novated to the relevant entity based on where the services of that contract will be provided. Where the services are shared by both entities, the contract will in most cases be novated to the majority user.

Staff related balances

All staff related balances, not settled by the Trust shortly after 1 June 2014, have been allocated to the relevant entity each member is transferred.

All other balances

Existing debtors and creditors that remain within the Trust are to be settled from existing funds.

All other balances have been allocated on a practical basis taking into account future use, staff member allocation and services provided by that entity.

Where an asset, liability or service is utilised by both entities it will likely remain within the NPS/NOMS.

The finalisation of the split of assets and liabilities has not been completed as at the date of this report. Therefore financial information is not available.

28. Prior period adjustments

IAS 19 *Employee Benefits* (Revised 2011)

In the current year, the Trust has applied the 2011 amendments to IAS 19 *Employee Benefits* (revised 2011), which are mandatory for accounting periods beginning on or after 1 January 2013. The standard requires retrospective application, which has resulted in a prior period adjustment. The prior period comparatives have been restated accordingly.

The amendments relevant to the Trust are:

The interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset). Retrospective application has had an impact on the amounts recognised in profit or loss and other comprehensive income in 2012/13. The net assets and liabilities are unchanged.

Specific transitional provisions are applied to first time application of IAS 19 (revised 2011). The Trust has applied the relevant transitional provisions and restated the comparative figures.

Impact on total comprehensive expenditure for the year of application of IAS 19 Extract from the Statement of Comprehensive Net Expenditure

	2012/13
Extract from the 2012–13 accounts before restatement:	£000
Net operating expenditure after taxation	1,784
Other comprehensive expenditure	(2,544)
Total comprehensive expenditure	(760)
Restatement:	
Increase in expenditure (interest costs)	454
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(454)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	2,238
Other comprehensive expenditure	(2,998)
Total comprehensive expenditure	(760)

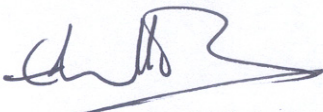
Extract from the statement of changes in taxpayers' equity

	2012/13
Extract from the 2012–13 accounts before restatement:	£000
General fund balance as at 31 March 2013	(32,378)
Restatement:	
Increase in net operating expenditure	(454)
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	454
General fund balance as at 31 March 2013 after restatement	(32,378)

Accounts Direction

ACCOUNTS OF LOCAL PROBATION TRUSTS IN ENGLAND AND WALES
ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE IN ACCORDANCE WITH
PARAGRAPHS 13(1) and 14(2) OF SCHEDULE 1 TO THE OFFENDER MANAGEMENT ACT 2007

1. This direction applies to the Local Probation Trusts (the Trusts) listed in the attached Appendix 1.
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2014 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual (“the FReM”) issued by HM Treasury and which is in force for the relevant financial year.
3. The accounts shall be prepared so as to:
 - give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the comprehensive net expenditure, changes in taxpayers’ equity and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
 - provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with NOMS Agency finance team and HM Treasury.
5. Additionally the Trusts shall be required to comply with all Probation Communication Notices to the extent that they build on the requirement of the FReM subject to the directions in paragraph 4.
6. This direction supersedes that provided by the Secretary of State to Probation Trusts dated 6 March 2013.



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice
18 February 2014

Appendix 1

35 Probation Trusts:

Avon and Somerset
Bedfordshire
Cambridgeshire and Peterborough
Cheshire
Cumbria
Derbyshire
Devon and Cornwall
Dorset
Durham Tees Valley
Essex
Gloucestershire
Greater Manchester
Hampshire
Hertfordshire
Humberside
Kent
Lancashire
Leicestershire and Rutland
Lincolnshire
London
Merseyside
Norfolk and Suffolk
Northamptonshire
Northumbria
Nottinghamshire
South Yorkshire
Staffordshire and West Midlands
Surrey and Sussex
Thames Valley
Wales
Warwickshire
West Mercia
West Yorkshire
Wiltshire
York and North Yorkshire

8. Sustainability Report

(Not subject to audit)

Introduction

This is the third Sustainability Report for Thames Valley Probation, prepared in accordance with 2011/2012 guidelines laid down by HM Treasury in 'Public Sector Annual Reports: Sustainability Reporting' published at: www.hm-treasury.gov.uk/frem_sustainability.htm. Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

This report covers 14 buildings.

Shared occupations are not accounted for due to the limitations of extrapolating reliable sustainability data from service charges supplied by landlords. In addition, HM Courts & Tribunals Service is obliged to supply office space free of charge to probation trusts. As these are modest in size there is little, if any, benefit from isolating their sustainability data. We do not consider that the exclusion of these areas has a material impact on sustainability reporting for the Trust as a whole.

Waste cost data is not available at this stage.

Governance, responsibilities and internal assurance

Overall governance and assurance was managed by the Ministry of Justice Sustainable Development Team (MoJ SDT). The probation estate was managed by facilities contractors, acting on behalf of MoJ, who managed day to day estate operations including voluntary and mandated sustainability reporting. There are some limitations to the accuracy of our financial and non-financial sustainability data and we continued to improve the quality of our internal controls, for example through internal audit.

Greening Government Commitments

The Greening Government Commitments launched on 1 April 2011 required Departments, including probation trusts, to take action to significantly reduce environmental impact by 2014/2015 (compared to a 2009/2010 baseline). These commitments can be found at: <http://sd.defra.gov.uk/gov/green-government/commitments/>.

Climate change adaption and mitigation

The MoJ SDT has drafted a Statement for Climate Change Adaptation and has set their built and non-built estate challenging objectives as follows:

- To enable the MoJ estate to evaluate risks to its strategy for programme delivery on vulnerable flood plains and evaluate its baseline for future adaptation of its targets and actions against climate change
- To enable the MoJ estate to prioritise its management of high risk sites and where necessary divert and recalculate important and fragile resources where they are vital to operational delivery
- To identify where stakeholders and central partners need to act to facilitate further or additional actions to protect against climate change
- To establish a strategic process by which MoJ can put in place measures necessary to adapt to future climate change.

Carbon Reduction Commitment (CRC)

CRC is managed by MoJ and associated carbon allowances are accrued by MoJ Corporate Estates.

Carbon Management Plan (CMP)

A CMP is a systematic approach to reducing greenhouse gas emissions; integrating technical, financial, corporate governance and communications within an overarching strategy. A CMP covers the entire probation estate across 35 Trusts and was developed in partnership with the Carbon Trust. MoJ SDT is

working to consolidate all CMPs, including those in place in the Prison Service and Courts & Tribunals to deliver a single cohesive approach with costed projects for each unit to provide an overarching framework to tackle climate change.

Our vision was to:

- be a low carbon business in which carbon management and sustainability were embedded within decision making,
- engage stakeholders and demonstrate best practice in meeting corporate sustainability targets.

The plan and statements will be kept under review and open to amendment in order to facilitate a continued improvement in meeting statutory obligations for climate change adaptation and reporting.

Environmental Management System (EMS)

MoJ SDT has an ongoing EMS implementation programme, and is looking to develop a more streamlined EMS that fully meets the requirements while reducing resource impacts on front line services.

Sustainable procurement

Thames Valley Probation had access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

Social and environmental awareness

See below

Community Payback project reaches semi finals in NOMS Wildlife Award 2014

Thames Valley Probation's Community Payback (South) team was recognised for work at Deerwood Park, Slough and reached the semi-finals of the Wildlife Awards.

In his feedback, Dr Phil Thomas, the award judge, said:

'I was most impressed with the work to date that has been carried out on the Deerwood Park at Slough, especially when you consider what it was like before Community Payback made their entry in to this site.

'What first struck me about the project and the site, is that it had been managed simply, with limited mechanical intervention, which made the management of the site sensitive to its local endemic fauna.

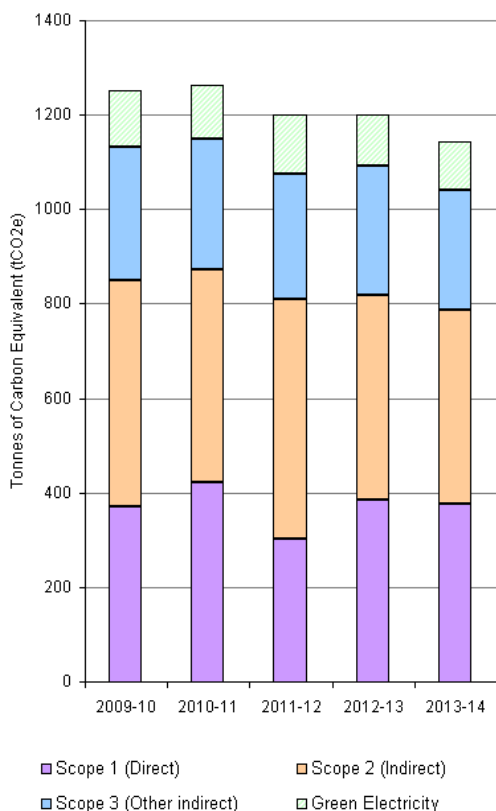
'Also, that important landscape features were left including mature trees and also fallen/dead trees which are excellent for invertebrates. Obviously one striking feature was the water course which was also being managed with a sensitive hand, and not overtly crafted so that its natural features were removed. Water is an essence of life and there is no doubt that this small stream catches the eye and the attention of the local wildlife. '

Performance summary

Greenhouse gas (GHG) emissions

	2009/10	2010/11	2011/12	2012/13	2013/14
Non-financial indicators Scope 1 (direct): Site-based emissions & owned transport (tCO2e)	371.5	420.9	303.2	386.1	376.5
Scope 2 (indirect): Supplied energy (electricity and heat)	477.5	450.8	506.5	432.8	409.8
Scope 3 (other indirect): Business travel & transmission losses from supplied energy	283.5	277.6	264.9	272.0	254.0
Total gross GHG emissions	1,132.5	1,149.3	1,074.6	1,090.9	1,040.3
Electricity: green/renewable	119.4	112.7	126.6	108.2	102.4
Total net GHG emissions	1,013.1	1,036.6	948.0	982.7	937.9
Non-financial indicators Electricity: Grid, CHP & non-renewable (kWh)	725,285	758,956	852,655	728,700	689,884
Electricity: renewable	241,762	252,985	284,218	242,900	229,961
Gas	1,765,252	2,032,954	1,368,423	1,759,681	1,626,670
Other energy sources	0	0	0	0	0
Total energy	2,732,299	3,044,895	2,505,296	2,731,281	2,546,515
Financial indicators Expenditure on energy (£)	£143,599	£142,264	£179,456	£172,690	£173,055
Expenditure on official business travel (£)	£531,135	£507,970	£459,236	£490,271	£351,857

Greenhouse Gas Emission by source



Performance commentary (including targets)

Ministry of Justice targets are led by the Government's GGC which require a 25% reduction in GHG Emissions (CO2e) by 2014/15 based on 2009–10. Buildings occupied by Thames Valley Probation are owned by the Ministry of Justice and managed under a range of outsourced facilities management contracts. Thames Valley Probation has no control or influence with regards to the performance of these contracts and the arrangements agreed between the Ministry of Justice and the facilities management

providers. The Ministry of Justice concedes that there are limitations to the accuracy of their sustainability data but that they are committed to continue to improve data quality.

Controllable impacts commentary

There has been no significant change to the operations performed by Thames Valley Probation that would have a material impact upon Greenhouse Gas Emissions.

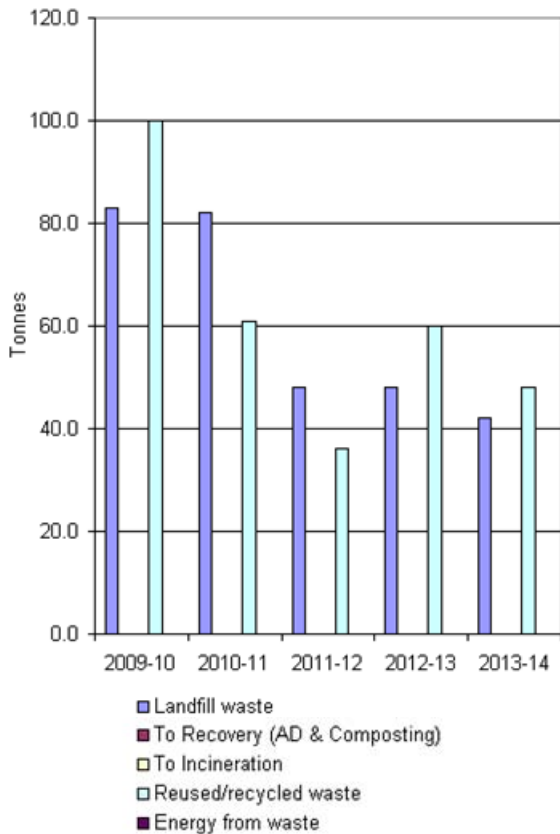
Overview of influenced impacts

When undertaking business travel, Thames Valley Probation employees were required to consider the necessity of the journey and also the most cost effective mode of travel.

Waste

			2009/10	2010/11	2011/12	2012/13	2013/14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	83	82	48	48	42
		To recovery (AD & composting)					
		To incineration					
		Reused/recycled waste	100	61	36	60	48
		Energy from waste					
Total waste arising			183	143	84	108	90
Financial indicators	Non-hazardous waste	Landfill waste	0	0	0	0	0
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	0	0	0	0	0
		Energy from waste	0	0	0	0	0
Total waste costs (£)			0	0	0	0	0

Waste by final disposal



Performance commentary (including targets)

Waste data is gathered by outsourced facilities management companies, and then supplied to Thames Valley Probation by the Ministry of Justice. The Ministry of Justice concedes that there are limitations to the accuracy of their sustainability data but that they are committed to continue to improve data quality.

Controllable impacts commentary

There has been no significant change to the operations performed by Thames Valley Probation that would have a material impact upon Waste.

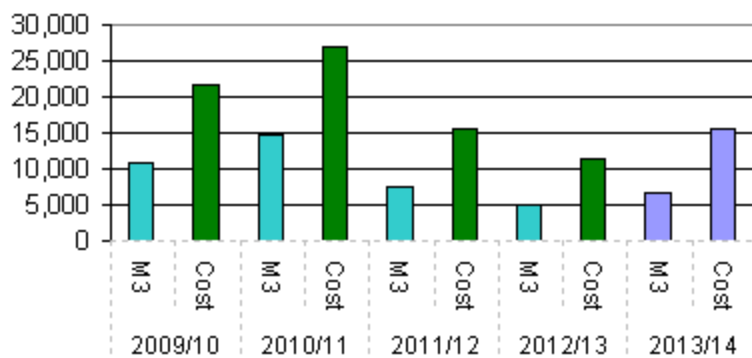
Overview of influenced impacts

Thames Valley Probation sites have facilities to enable recycling to take place.

Water

		2009/10	2010/11	2011/12	2012/13	2013/14
Non-financial indicators	Total water consumption (cubic metres: m³)	10,837	14,858	7,447	5,123	6,716
Financial indicators	Total water supply costs (£)	£21,623	£26,897	£15,639	£11,475	£15,579

Water (consumption and costs).



Performance commentary (including targets)

Water data is gathered by outsourced facilities management companies, and then supplied to Thames Valley Probation by the Ministry of Justice. The Ministry of Justice concedes that there are limitations to the accuracy of their sustainability data but that they are committed to continue to improve data quality.

Controllable impacts commentary

There has been no significant change to the operations performed by Thames Valley Probation that would have a material impact upon Water.

Paper

	2009/10	2010/11	2011/12	2012/13	2013/14
Cost (excluding VAT)	£25,000	£25,000	£25,000	£25,000	£21,000

ISBN 978-1-4741-0411-1



9 781474 104111